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This part also provides procedures for collection of other debts owed to the United States when the FLRA receives, from another agency, a request for offset of an FLRA payment (for example, when an FLRA employee owes a debt to the United States Department of Education).

(b) *Applicability.* (1) This part applies to the FLRA when collecting an FLRA debt, to persons who owe FLRA debts, and to Federal agencies requesting offset of a payment issued by the FLRA as a payment agency (including salary payments to FLRA employees).

(2) This part does not apply to tax debts or to any debt for which there is an indication of fraud or misrepresentation, as described in 31 CFR 900.3 of the FCCS, unless the Department of Justice returns the debt to the FLRA for handling.

(3) Nothing in this part precludes collection or disposition of any debt under statutes and regulations other than those described in this part. See, for example, 5 U.S.C. 5705, Advancements and Deductions, which authorizes agencies to recover travel advances by offset of up to 100% of a Federal employee's accrued pay. See, also, 5 U.S.C. 4108, governing the collection of training expenses. To the extent that the provisions of laws and other regulations differ from the provisions of this part, those provisions of law and other regulations—and not the provisions of this part—apply to the remission or mitigation of fines, penalties, and forfeitures, as well as debts arising under the tariff laws of the United States.

(c) *Duplication not required.* Nothing in this part requires the FLRA to duplicate notices or administrative proceedings required by contract, this part, or other laws or regulations.

(d) *Use of multiple collection remedies allowed.* The FLRA and other Federal agencies may simultaneously use multiple collection remedies to collect a debt, except as prohibited by law. This part is intended to promote aggressive debt collection, using for each debt all available collection remedies. These remedies are not listed in any prescribed order, so that the FLRA may have flexibility in determining which remedies will be most efficient in collecting the particular debt.

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§ 2418.3 Do these regulations adopt the Federal Claims Collection Standards (FCCS)?

This part adopts and incorporates all provisions of the FCCS. This part also supplements the FCCS by prescribing procedures consistent with the FCCS, as necessary and appropriate for FLRA operations.

Subpart B—Procedures to Collect FLRA Debts

§ 2418.4 What notice will the FLRA send to a debtor when collecting an FLRA debt?

(a) *Notice requirements.* The FLRA shall aggressively collect FLRA debts. The FLRA shall promptly send at least one written notice to a debtor informing the debtor of the consequences of failing to pay or otherwise resolve an FLRA debt. The notice(s) shall be sent to the debtor at the most current address of the debtor in the FLRA's records. Generally, before starting the collection actions described in §§ 2418.5 and 2418.9 through 2418.16, the FLRA will send no more than two written notices to the debtor. The purpose of the notice(s) is to explain why the debt is owed, the amount of the debt, how a debtor may pay the debt or make alternative payment arrangements, how a debtor may review documents related to the debt, how a debtor may dispute the debt, the collection remedies available to the FLRA if the debtor refuses to pay the debt, and other consequences to the debtor if the debt is not paid. Except as otherwise provided in paragraph (b) of this section, the written notice(s) shall explain to the debtor:

(1) The nature and amount of the debt, and the facts giving rise to the debt;

(2) How interest, penalties, and administrative costs are added to the debt, the date by which payment should be made to avoid such charges, and that such assessments must be made unless excused in accordance with 31 CFR 901.9 (see § 2418.5);

(3) The date by which payment should be made to avoid the enforced collection actions described in paragraph (a)(6) of this section;

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(4) The FLRA's willingness to discuss alternative payment arrangements and how the debtor may enter into a written agreement to repay the debt under terms acceptable to the FLRA (see § 2418.6);

(5) The name, address, and telephone number of a contact person or office within the FLRA;

(6) The FLRA's intention to enforce collection if the debtor fails to pay or otherwise resolve the debt, by taking one or more of the following actions:

(i) *Offset*. Offset the debtor's Federal payments, including income-tax refunds, salary, certain benefit payments (such as Social Security), retirement, vendor, travel reimbursements and advances, and other Federal payments (see §§ 2418.10 through 2418.12);

(ii) *Private collection agency*. Refer the debt to a private collection agency (see § 2418.15);

(iii) *Credit-bureau reporting*. Report the debt to a credit bureau (see § 2418.14);

(iv) *Administrative wage garnishment*. Garnish the debtor's wages through administrative wage garnishment (see § 2418.13);

(v) *Litigation*. Refer the debt to the Department of Justice to initiate litigation to collect the debt (see § 2418.16);

(vi) *Treasury Department's Financial Management Service*. Refer the debt to the Financial Management Service for collection (see § 2418.9);

(7) That Treasury debts over 180 days delinquent must be referred to the Financial Management Service for the collection actions described in paragraph (a)(6) of this section (see § 2418.9);

(8) How the debtor may inspect and copy records related to the debt;

(9) How the debtor may request a review of the FLRA's determination that the debtor owes a debt and present evidence that the debt is not delinquent or legally enforceable (see §§ 2418.10(c) and 2418.11(c));

(10) How a debtor may request a hearing if the FLRA intends to garnish the debtor's private-sector (*i.e.*, non-Federal) wages (see § 2418.13(a)), including:

(i) The method and time period for requesting a hearing;

(ii) That the timely filing of a request for a hearing on or before the 15th business day following the date of

the notice will stay the commencement of administrative wage garnishment, but not necessarily other collection procedures; and

(iii) The name and address of the office to which the request for a hearing should be sent.

(11) How a debtor who is a Federal employee subject to Federal salary offset may request a hearing (see § 2418.12(e)), including:

(i) The method and time period for requesting a hearing;

(ii) That the timely filing of a request for a hearing on or before the 15th calendar day following receipt of the notice will stay the commencement of salary offset, but not necessarily other collection procedures;

(iii) The name and address of the office to which the request for a hearing should be sent;

(iv) That the FLRA will refer the debt to the debtor's employing agency or to the Financial Management Service to implement salary offset, unless the employee files a timely request for a hearing;

(v) That a final decision on the hearing, if requested, will be issued at the earliest practical date, but not later than 60 days after the filing of the request for a hearing, unless the employee requests and the hearing official grants a delay in the proceedings;

(vi) That any knowingly false or frivolous statements, representations, or evidence may subject the Federal employee to penalties under the False Claims Act (31 U.S.C. 3729-3731) or other applicable statutory authority, and criminal penalties under 18 U.S.C. 286, 287, 1001, and 1002, or other applicable statutory authority;

(vii) That, unless prohibited by contract or statute, amounts paid on or deducted for the debt that are later waived or found not owed to the United States will be promptly refunded to the employee; and

(viii) That 5 U.S.C. 5514 and 31 U.S.C. 3716 govern proceedings with respect to such debt.

(12) How the debtor may request a waiver of the debt, if applicable (see Appendix A of this part);

(13) How the debtor's spouse may claim his or her share of a joint-income-tax refund by filing Form 8379

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with the Internal Revenue Service (see <http://www.irs.gov>);

(14) How the debtor may exercise other statutory or regulatory rights and remedies available to the debtor;

(15) That an employee's involuntary payment of all or any portion of a debt being collected will not be construed as a waiver of any rights that the employee may have under any provision of contract or law, unless there are statutory, regulatory, or contractual provisions to the contrary; and

(16) That the debtor should advise the FLRA of a bankruptcy proceeding of the debtor or another person liable for the debt being collected.

(b) *Exceptions to notice requirements.* The FLRA may omit from a notice to a debtor one or more of the provisions contained in paragraphs (a)(6) through (16) of this section if the FLRA, in consultation with its legal counsel, determines that any provision is not legally required given the collection remedies to be applied to a particular debt.

(c) *Respond to debtors; comply with FCCS.* The FLRA will respond promptly to communications from debtors and comply with other FCCS provisions applicable to the administrative collection of debts. See 31 CFR part 901.

§ 2418.5 How will the FLRA add interest, penalty charges, and administrative costs to an FLRA debt?

(a) *Assessment and notice.* The FLRA shall assess interest, penalties, and administrative costs on FLRA debts in accordance with the provisions of 31 U.S.C. 3717 and 31 CFR 901.9. Interest shall be charged in accordance with the requirements of 31 U.S.C. 3717(a). Penalties shall accrue at the rate of 6% per year, or such other higher rate as authorized by law. The FLRA shall determine administrative costs, that is, the costs of processing and handling a delinquent debt. In the notice to the debtor described in § 2418.4, the FLRA must explain how interest, penalties, costs, and other charges are assessed, unless the requirements are included in a contract or repayment agreement.

(b) *Waiver of interest, penalties, and administrative costs.* Unless otherwise required by law, the FLRA may not charge interest if the amount due on the debt is paid within 30 days after the

date from which the interest accrues. See 31 U.S.C. 3717(d). The FLRA may waive interest, penalties, and administrative costs, or any portion thereof, when it would be against equity and good conscience or not in the FLRA's best interest to collect such charges, in accordance with FLRA guidelines for waiving claims against FLRA employees for erroneous overpayments. See appendix A of this part.

(c) *Accrual during suspension of debt collection.* In most cases, interest, penalties, and administrative costs will begin and continue to accrue 30 days after notice is given to the employee and during any period when collection has been suspended for any reason (for example, when the debtor has requested a hearing). The FLRA may suspend accrual of any or all of these charges when accrual would be against equity and good conscience or not in the FLRA's best interest, in accordance with FLRA guidelines for waiving claims against FLRA employees for erroneous overpayments. See appendix A of this part.

§ 2418.6 When will the FLRA allow a debtor to pay an FLRA debt in installments instead of one lump sum?

If a debtor is financially unable to pay the debt in one lump sum, then the FLRA may accept payment of an FLRA debt in regular installments, in accordance with 31 CFR 901.8.

§ 2418.7 When will the FLRA compromise an FLRA debt?

If the FLRA cannot collect the full amount of an FLRA debt, then the FLRA may compromise the debt in accordance with 31 CFR part 902.

§ 2418.8 When will the FLRA suspend or terminate debt collection on an FLRA debt?

If, after pursuing all appropriate means of collection, the FLRA determines that an FLRA debt is uncollectible, then the FLRA may suspend or terminate debt-collection activity in accordance with the provisions of 31 CFR part 903 and the FLRA's policies and procedures.